

Adding, Removing or Canceling Franchises

If a dealer adds or changes a franchise, he/she must notify MVED and submit a new franchise verification. If a dealer loses or cancels all new vehicle franchises, he/she must return his/her license and may be re-licensed as a used vehicle dealer. The dealer will be allowed six months to sell or license and title the new vehicles which he had in his possession at the time of relicensing (41-3-207 UCA).

New Car Sales at Used Car Dealers

A used car dealer may not sell new cars. Anyone selling a new motor vehicle must have a franchise for every make of new motor vehicle for sale and a new motor vehicle dealer's license (41-3-210 UCA).

New Car Sales to Used Car Dealers

A new car dealer can only sell a new vehicle to a used car dealer if the vehicle is then licensed and titled in the used car dealer's name (41-3-210 UCA).

M.S.O. vs. Title

If a used car dealer purchases a used car and receives a Manufacturer's Certificate of Origin (M.C.O. or M.S.O.) rather than a title, and the vehicle has been driven less than 7,500 miles, the used car dealer must title and register the vehicle in the dealership name. After it has been titled and registered, it becomes a used motor vehicle.

Trading Among Dealerships

You can make trades with other dealerships that don't have the same franchises as you, such as a Toyota dealer selling to a Ford dealer. But the vehicles must then be licensed and titled to the receiving dealership (41-3-210 UCA).

Vehicle Leases

When leasing a vehicle to a customer, the license & title must show the leasing company as the owner and the customer as the lessee. Leased vehicles can not show the customer as owner with no lessee. (41-3-210 UCA).

Custom Van Dealers

A custom van dealer can advertise and sell vans by the chassis make if the dealer possesses a franchise from the chassis manufacturer (41-3-210 UCA).